

American Home Shield Corporation
P.O. Box 849
Carroll, IA 51401

A. COVERAGE

1. During the coverage period, AHS will arrange for an AHS authorized service contractor (Service Contractor) to repair or replace the systems and appliances stated as covered in accordance with the terms and conditions of this contract so long as the systems and appliances:

- A. Are located within the confines of the main foundation of the home or attached or detached garage (with the exception of the exterior well pump, air conditioner, and pool and/or spa equipment, if selected);
- B. Become inoperative due to normal wear and tear;
- C. Are in good working order on the Effective Date of this contract (as defined below); and
- D. Are properly maintained and installed throughout the term of this contract for proper diagnosis.

2. This contract only covers single family resale homes and condominiums/townhomes/mobile homes (including manufactured housing) under 5,000 square feet, unless an alternative dwelling type (i.e. 5,000 square feet up to 10,000 square feet, or multiple units) is applied for by calling the Sales phone number on the Contract Agreement page, and the appropriate fee is paid. Coverage is for owned or rented residential property, not commercial property or residences used as businesses, including, but not limited to, day care centers, fraternity/sorority houses, and nursing/care homes.

3. This contract describes the basic coverage and options available for domestic grade appliances and systems. Domestic grade items are those that were manufactured and marketed solely for installation and use in a residential family dwelling. For the specific coverage selection on your home, see the Contract Agreement page. Coverage includes only the items stated as covered and excludes all others. Coverage is subject to limitations and conditions specified in this contract. **Please read your contract carefully.**

B. CONTRACT TERM

1. Seller's coverage for the listing and sale (escrow) period starts upon issuance of a contract number by AHS (Effective Date), and continues for 180 days or close of sale (escrow) or termination of listing (whichever occurs first). In the event that close of sale (escrow) does not occur in such 180-day period, AHS may, in its sole discretion, extend the seller's coverage period. If the application is received as a telephone or web application, then coverage will start immediately upon issuance of a contract number by AHS. Seller's coverage includes systems and appliances in Section D only, and excludes all others, unless the Heating, Air Conditioning, and Ductwork (HVAC) option is purchased.
2. Buyer's coverage begins at close of sale (escrow), provided plan fee is paid to AHS (Effective Date), and continues for one (1) year after close of sale (escrow). Any payments made by AHS during the seller's coverage period (if applicable) for the repair or replacement of any covered item shall apply against any "per contract" or "per covered item" dollar limitations set forth herein. Any exclusion, denial or suspension of service made by AHS during the seller's coverage period of any covered item shall apply against the buyer's coverage as set forth herein unless such item is repaired or replaced.
3. Lease option coverage (available for lessee only) begins upon receipt of application and contract fees by AHS and continues for one (1) full year.

C. CUSTOMER SERVICE - TO REQUEST SERVICE CALL: 1-800-776-4663 OR VISIT www.ahsservice.com

1. You must notify AHS for work to be performed under this contract as soon as the problem is discovered. AHS will accept service calls 24 hours a day, 7 days a week at 1-800-776-4663 or online at www.ahsservice.com. Notice of any service request must be given to AHS prior to expiration of this contract.

2. Upon request for service, AHS will contact a Service Contractor within four (4) hours during normal business hours and forty-eight (48) hours on weekends and holidays. The Service Contractor will promptly contact you to schedule a mutually convenient appointment during normal business hours. AHS will determine what repairs constitute an emergency and will make reasonable efforts to expedite emergency service. If you should request AHS to perform non-emergency service outside of normal business hours, you will be responsible for payment of additional fees, including overtime.

3. AHS has the right to select the Service Contractor, which may be a service company affiliated with AHS, to perform the service. AHS will not reimburse for services performed without its prior approval.

4. You will pay \$55 for each trade service call, or the actual cost, whichever is less. Additional charges may apply to certain repairs and replacements. The trade service call fee is for each call dispatched and scheduled to be run (except as noted in Section C.6.) including, but not limited to, trade service calls wherein coverage is (in whole or in part) granted, excluded, limited or denied. Please note: the trade service call fee applies in the event you fail to be present at the scheduled time of the trade service call or in the event you cancel a call at the time the Service Contractor is in route to your home or the Service Contractor has already arrived at your home. The trade service call fee will be due and payable to the Service Contractor (or to AHS) at the time of the scheduled trade service call. AHS will not respond to any new requests for service until any previous outstanding trade service call fees are paid in full.

5. At the time the work begins and at appropriate time(s) thereafter, certain repairs and replacements may require you to allow a state or local building inspector access to your home. Failure to pay any required permit fee or to allow access to your home by the building inspector, will result in suspension of coverage (for that specific repair or replacement) until such time as the permit fee is paid or access is granted (as applicable). At that time, coverage will be reinstated; however, the contract term will not be extended.

6. If service work performed under this contract should fail, AHS will make the necessary repairs without an additional trade service call fee for a period of 90 days on parts and 30 days on labor.

D. COVERED SYSTEMS AND APPLIANCES

The following systems and appliances are covered for the home seller and home buyer. Certain limitations of liability apply to covered systems and appliances (see Sections A and G).

1. PLUMBING SYSTEM

COVERED: Leaks and breaks of water, drain, gas, waste or vent lines, except if caused by freezing or roots - Toilet tanks, bowls and related mechanisms (builder's standard is used when replacement is necessary), toilet wax ring seals - Valves for shower, tub, and diverter, angle stops, risers and gate valves - Permanently installed sump pumps (ground water only) - Built-in bathtub whirlpool motor and pump assemblies.

NOT COVERED: Stoppages - Collapse or damage to water, drain, gas, waste or vent lines caused by freezing or roots - Faucets and fixtures - Bathtubs and showers - Shower enclosures and base pans - Sinks - Toilet lids and seats - Caulking or grouting - Septic tanks - Water softeners - Pressure regulators - Inadequate or excessive water pressure - Flow restrictions in fresh water lines caused by rust, corrosion or chemical deposits - Sewage ejector pumps - Holding or storage tanks - Saunas or steam rooms - Hose bibs - Whirlpool jets.

NOTE: Where covered repairs require access to plumbing systems, AHS will only provide access to plumbing systems through unobstructed walls, ceilings or floors, and will return access openings to a rough finish. Obstructions include, without limitation, built-in appliances, systems, cabinets, and floor coverings. AHS will cover up to \$500 for access, diagnosis, repair or replacement (including returning access openings to a rough finish) to any portion of a plumbing system that is inaccessible because of concrete.

2. WATER HEATER (Gas, Electric, or Oil)

COVERED: All components and parts, including circulating pumps, except:

NOT COVERED: Solar water heaters - Solar components - Ancillary holding or storage tanks - Noise - Fuel storage tank and energy conservation unit - Flues and vents - Thermal expansion tanks - Instant hot water dispenser.

3. ELECTRICAL SYSTEM

COVERED: All components and parts, including built-in exhaust fans, except:

NOT COVERED: Fixtures - Door bells - Alarms - Intercom or speaker systems - Central vacuum systems - Audio/video/computer wiring or cable - Telephone wiring - Inadequate wiring capacity - Power failure or surge - Garage door opener - Direct current (D.C.) wiring or components and/or low voltage systems including wiring and relays - Circuit overload.

4. DISHWASHER

COVERED: All components and parts, except:

NOT COVERED: Racks - Baskets - Rollers.

5. GARBAGE DISPOSAL

COVERED: All components and parts, including entire unit.

6. BUILT-IN MICROWAVE OVEN

COVERED: All components and parts, except:

NOT COVERED: Interior linings - Door glass - Shelves - Portable or counter top units - Meat probe assemblies - Rotisseries - Clocks.

7. RANGE/OVEN/COOKTOP (Gas or Electric)

COVERED: All components and parts, except:

NOT COVERED: Clocks (unless they affect the function of the oven) - Meat probe assemblies - Rotisseries - Racks - Handles - Knobs - Sensi-heat burners will only be replaced with standard burners.

8. TRASH COMPACTOR

COVERED: All components and parts, except:

NOT COVERED: Lock and key assemblies - Removable buckets.

**E. ADDITIONAL COVERAGE FOR THE HOME BUYER
OPTIONAL COVERAGE FOR THE HOME SELLER**

NOTE FOR SELLER: Optional HVAC coverage fee of \$70 is due at the closing, expiration of listing, or cancellation, whichever occurs first. The following items in Section E are subject to a combined \$1,500 maximum coverage limitation during the listing period. Limitation of liability specified in Sections A and G shall apply.

1. HEATING SYSTEM OR BUILT-IN WALL UNIT (Gas, Electric, or Oil if main source of heat to the home)

NOTE: Coverage available on heating and/or cooling systems not exceeding a five (5) ton capacity and designed for residential application.

COVERED: Heating systems including: heat pump; metering devices (i.e. thermal expansion valves); furnace; furnace transition; evaporator coils and drain lines; air handling unit; air handling transition; secondary drain pan and lines; and refrigerant lines are covered. Any of the foregoing covered components as well as plenum, indoor electrical, and duct connections are also covered when AHS determines that upgrading a heating system is required to maintain compatibility with equipment manufactured to be 13 SEER (Seasonal Energy Efficiency Ratio) and 7.7 HSPF (Heating Seasonal Performance Factor) compliant, or compliant with higher SEER or HSPF requirements.

NOT COVERED: All components and parts relating to geothermal, water source heat pumps including: outside or underground piping, components for geothermal and/or water source heat pumps, redrilling of wells for geothermal and/or water source heat pumps, and well pump and well pump components for geothermal and/or water source heat pumps - Baseboard casings - Fuel storage tanks - Portable units - Solar heating systems - Fireplaces and key valves - Filters - Registers - Grills - Clocks - Timers - Heat lamps - Humidifiers - Flues and vents - Improperly sized heating systems - Chimneys - Pellet stoves - Cable heat (in ceiling) - Wood stoves (even if only source of heating) - Systems with improperly matched condensing unit and evaporative coil

per manufacturer's specifications - Improper use of metering devices (i.e. thermal expansion valves).

NOTE BUYER ONLY: AHS will pay no more than \$1,500 per covered item per contract term for access, diagnosis and repair or replacement of any glycol, hot water or steam circulating heating system.

2. AIR CONDITIONING/COOLER

NOTE: Coverage available on heating and/or cooling systems not exceeding a five (5) ton capacity and designed for residential application.

COVERED: Ducted electric wall air conditioning systems - Water evaporative cooler systems - Ducted electric central air conditioning systems including: condenser; metering devices (i.e. thermal expansion valves); furnace transition; evaporator coils and drain lines; air handling unit; air handling transition; secondary drain pan and lines; and refrigerant lines are covered. Any of the foregoing covered components as well as plenum, indoor electrical, and duct connections are also covered when AHS determines that upgrading a ducted electric central air conditioning system is required to maintain compatibility with equipment manufactured to be 13 SEER (Seasonal Energy Efficiency Ratio) and 7.7 HSPF (Heating Seasonal Performance Factor) compliant, or compliant with higher SEER or HSPF requirements.

NOT COVERED: Gas air conditioning systems - Condenser casings - Registers and grills - Filters - Electronic air cleaners - Window units - Non-ducted wall units - Water towers - Humidifiers - Roof jacks or stands - Evaporative cooler pads - Flues - Vents - Improperly sized air conditioning unit - Chillers and chiller components - Systems with improperly matched condensing unit and evaporative coil per manufacturer's specifications - Improper use of metering devices (i.e. thermal expansion valves).

3. DUCTWORK

COVERED: Ducts from heating and/or cooling unit to point of attachment at registers or grills and flex ductwork.

NOT COVERED: Registers or grills - Insulation - Asbestos-insulated ductwork - Dampers - Improperly sized ductwork - Diagnostic testing of, or locating leaks to ductwork, including, without limitation, as required by any federal, state or local law, regulation, or ordinance, or when required due to the installation or replacement of system equipment.

NOTE: Where covered repairs require access to ductwork, AHS will only provide access to, and sealing of ductwork through unobstructed walls, ceilings or floors, and will return access openings to a rough finish. Obstructions include, without limitation, built-in appliances, systems, cabinets, and floor coverings. If the ductwork is accessible only through a concrete floor, wall or ceiling, AHS will cover up to \$500 for access to, sealing of other repair to, or replacement of such ductwork, including returning access openings to a rough finish. If any ductwork that is inaccessible due to concrete or other obstructions requires repair or replacement as a result of diagnostic testing, AHS will not cover such repair or replacement.

**F. OPTIONAL COVERAGE FOR THE HOME BUYER
(AVAILABLE UPON PAYMENT OF ADDITIONAL CONTRACT FEE.)**

NOTE: Home buyer may purchase any optional coverage for up to 30 days after the Effective Date (see Section B). However, coverage shall not commence until receipt of payment by AHS and such coverage shall expire upon expiration of contract term in Section B. Limitations of liability specified in Sections A and G shall apply.

1. POOL AND/OR SPA EQUIPMENT (excludes portable or above ground spas)

COVERED: Both pool and built-in spa equipment (exterior hot tub and whirlpool) are covered if they utilize common equipment. If they do not utilize common equipment, then only one or the other is covered unless an additional fee is paid. Coverage applies to above ground, accessible, working components and parts of the heating, pumping,

and filtration system as follows: Heater – Pump – Motor – Filter – Filter timer – Gaskets – Blower – Timer – Valves, limited to back flush, actuator, check, 2-way and 3-way valves – Relays and switches – Pool sweep motor and pump – Above ground plumbing pipes and wiring.

NOT COVERED: Lights - Liners - Structural defects - Solar equipment - Jets - Ornamental fountains, waterfalls and their pumping systems - Pool cover and related equipment - Fill line and fill valves - Built-in or detachable cleaning equipment such as, but not limited to, pool sweeps, pop-up heads, turbo valves, skimmers, chlorinators, and ionizers - Fuel storage tanks - Disposable filtration mediums - Heat pump - Portable or above ground spas - Multi-media centers.

2. ONE KITCHEN REFRIGERATOR (must be located in the Kitchen)

COVERED: All components and parts, except:

NOT COVERED: Racks - Shelves - Drawers - Ice makers, ice crushers, beverage/water dispensers and their respective equipment - Interior thermal shells - Food spoilage - Freezers which are not an integral part of the refrigerator - Multi-media center.

WASHER/DRYER PACKAGE:

3a. CLOTHES WASHER

COVERED: All components and parts, except:

NOT COVERED: Plastic mini-tubs - Soap dispensers - Filter screens - Knobs and dials - Damage to clothing - Drawers.

3b. CLOTHES DRYER (Gas or Electric)

COVERED: All components and parts, except:

NOT COVERED: Venting - Lint screens - Knobs and dials - Dryer cabinet fragrance/humidity center, hangers, shelves, rods, hooks, and cabinet liner - Damage to clothing - Racks - Drawers.

4. WELL PUMP

COVERED: All components and parts of well pump utilized as the main source of water to the home, except:

NOT COVERED: Above or underground piping, cable or electrical lines leading to or from the well pump, including those that are located within the well casing - Well casings - Pressure switches not located on the pump - Holding, storage or pressure tanks - Booster pumps - Redrilling of wells - Well pump and well pump components for geothermal and/or water source heat pumps - Above or underground piping, cable or electrical lines for geothermal and/or water source heat pumps, including those that are located within the well casing.

NOTE: AHS will pay no more than \$1,500 per contract term for access, diagnosis and repair or replacement.

G. LIMITATIONS OF LIABILITY

1. The following are not covered for the home seller or for the first 30 days after the Effective Date (see Section B) for the home buyer: (a) malfunction or improper operation due to rust or corrosion of appliances, heating systems (including built-in wall units or heat pumps) and/or air conditioning systems/coolers or pools/spas; (b) collapsed ductwork.

2. AHS is not responsible for providing or closing access to covered items except as noted in Sections D.1. and E.3.

3. You may be charged an additional fee by the Service Contractor to dispose of an old appliance, system or component, including, but not limited to the following items: condensing units, evaporator coils, compressors, capacitors, refrigerators, freezers, water heaters, and any system or appliance which contains dangerous or hazardous materials.

4. AHS is not liable for restoration of any wall coverings, floor coverings, cabinets, counter tops, tiling, paint, or the like, nor the repair of any cosmetic defects.

5. AHS is not responsible for electronic or computerized home management systems including, but not limited to, energy, lighting, security, appliances, entertainment, comfort or audio systems.

6. AHS is not responsible or liable for secondary, incidental and/or consequential loss or damage resulting from the malfunction of any covered item including, but not limited to, food spoilage, loss of income, utility bills, additional living expenses, personal and/or property damage, or authorized contractor's service or delay in service.

7. AHS is not responsible or liable for any delay in service or failure to provide service caused by conditions beyond its control, including, but not limited to, delays in obtaining, or shortages of, parts and/or equipment, or labor difficulties.

8. AHS is not responsible or liable for repair of conditions or replacement caused by chemical or sedimentary build up, misuse or abuse, failure to clean or maintain, missing parts, structural changes, fire, freezing, electrical failure or surge, water damage, lightning, mud, earthquake, soil movement, storms, accidents, pet damage, pest damage, acts of God, or failure due to excessive or inadequate water pressure.

9. AHS has the sole right to determine whether a covered system or appliance will be repaired or replaced. AHS is responsible for installing replacement equipment of similar features, capacity, and efficiency, but not for matching dimensions, brand or color. Except when repairing or upgrading covered systems to maintain compatibility with equipment manufactured to be 13 SEER or 7.7 HSPF compliant, or compliant with any higher SEER or HSPF requirements, AHS is not responsible or liable for upgrades, components, parts or equipment required due to: (a) the incompatibility of the existing equipment with the replacement system or appliance or component or any part thereof; or (b) any new type of chemical or material utilized to run the replacement equipment including, but not limited to, differences in technology, refrigerant requirements, or efficiency as mandated by federal, state, or local governments. AHS is not responsible or liable for the cost of construction, carpentry, or other modifications made necessary by the existing equipment or installing different equipment.

10. AHS is not responsible or liable for repairs related to inadequacy, lack of capacity, misuse, improper installation, previous repair or design, manufacturer's defect, and any modification to the system or appliance. AHS does not perform routine maintenance. You are responsible for providing maintenance and cleaning on covered items as specified by the manufacturer to ensure continued coverage on such items. For example: heating and air conditioning systems require periodic cleaning and/or replacement of filters and cleaning of evaporator and condenser coils. Water heaters require periodic flushing.

11. AHS reserves the right to obtain a second opinion at its expense.

12. This contract does not cover appliances or systems deemed or classified by the manufacturer as commercial.

13. AHS is not responsible for any repair, replacement, installation, or modification of any covered system, appliance, or component or part thereof: (a) that has been, or is, determined to be defective by the Consumer Product Safety Commission or the manufacturer; (b) that a manufacturer has issued, or issues, a warning or recall; (c) that has a malfunction caused by the manufacturer's improper design, use of improper materials, formula, manufacturing process or other manufacturing defect; or (d) while still under an existing manufacturer's, distributor's, or in-home warranty.

14. AHS reserves the right to provide pre-approved reimbursement of itemized costs or cash back in lieu of repair or replacement. Both pre-approved reimbursement of itemized costs and cash back in lieu of repair or replacement will be based on what AHS would ordinarily expect to pay for the same parts and labor, which may be less than retail or your actual cost. Acceptable proof of your actual itemized costs must be provided to AHS before any reimbursement amount may be paid.

15. AHS reserves the right to rebuild a part or component, or replace with a rebuilt part or component.

16. AHS is not under any circumstances liable for the diagnosis, repair, removal or remediation of mold, mildew, bio-organic growth, rot or fungus, or any damages resulting from or related to mold, mildew, rot or fungus, even when caused by or related to the malfunction, repair or replacement of a covered system or appliance.

17. AHS will not contract to perform service nor pay costs involving hazardous or toxic materials including, but not limited to, asbestos, mold, lead paint, and sanitation of sewage spills, nor will it pay costs related to recapture or disposal of refrigerants, contaminants, hazardous, or toxic materials.

18. This contract does not cover fees associated with use of cranes needed to install or remove any equipment located on the roof top.
 19. AHS is not responsible for like-for-like replacement of appliances if the appliance contains any features that do not contribute to the appliance's primary function including, without limitation, TVs or radios in refrigerators.

H. LAWS, REGULATIONS AND CODE REQUIREMENTS

Except when repairing or upgrading covered systems to maintain compatibility with equipment manufactured to be 13 SEER or 7.7 HSPF compliant, or compliant with any higher SEER or HSPF requirements, AHS is not responsible for any upgrades, work, testing or costs required to comply with any federal, state, or local laws, regulations or ordinances or utility regulations, or to meet current building or zoning code requirements, or to correct for code violations. AHS is not responsible for service when permits cannot be obtained, nor will it pay any costs relating to permits. AHS' policy is to abide by all current federal, state, and local laws, regulations and guidelines. AHS will not be responsible for any liability arising from repairs or replacements that violate any such laws, regulations, or guidelines.

I. MULTIPLE UNITS AND INVESTMENT PROPERTY

1. If this contract is for a duplex, triplex, or fourplex dwelling, then all unit(s) within such dwelling must be covered by one AHS contract for protection to apply to common systems. Should any unit within such dwelling not be covered as part of the one AHS contract, then AHS is not liable for common systems or appliances.
2. If this contract is for a dwelling within a multiple unit of five (5) dwelling units or more, then only items contained within the confines of each individual unit are covered. Common systems and appliances are not covered.
3. Except as otherwise provided in this section, common systems and appliances are not covered.

J. TRANSFER OF CONTRACT AND RENEWALS

1. If the covered property changes ownership during the contract term, please call the Sales phone number on the Contract Agreement page for further information to transfer coverage to the new owner.
2. This contract may be renewed at the option of AHS. In that event, you will be notified of the prevailing rates and terms for renewal.

K. CANCELLATION

A. This contract may be cancelled by the contract holder within the first 30 days following the Effective Date, unless otherwise mutually agreed upon by AHS and contract holder. In such cases, this contract shall be deemed void and the provider of funds shall be entitled to a full refund of the paid contract fees less any service (and claims) costs incurred by AHS.

B. This contract shall be non-cancelable by AHS, except: (1) for nonpayment of contract fees; (2) for fraud or misrepresentation of facts material to the issuance of this contract; (3) when the contract is for listing coverage and close of sale (escrow) does not occur, if applicable; or (4) upon mutual agreement of AHS and the contract holder. If AHS cancels or agrees to allow the contract holder to cancel after the 30th day, then the provider of funds shall be entitled to a pro rata refund of the paid contract fees for the unexpired term, less: (a) an administrative fee of up to \$35; and (b) any service (and claims) costs incurred by AHS (collectively, the "Cancellation Fees"). A 10% monthly penalty shall be added to refunds not paid or credited within 45 days after the return of this contract to AHS.

C. If the contract fees are billed through a mortgage loan that is later sold or paid in full, then uninterrupted coverage can be arranged by immediately calling (800) 247-4749 to establish an alternate payment method. This contract will be deemed cancelled if the contract holder fails to initiate such payment arrangements within 30 days (or such other time period for notice to the contract holder as set forth below). The law in the contract holder's state (i.e. where residence is located) may revise this cancellation section. Therefore, the

following provisions expressly modify the specific cancellation language set forth above:

SOUTH CAROLINA residents only:

A. This contract may be cancelled by the contract holder within the first 30 days following the Effective Date, unless otherwise mutually agreed upon by AHS and contract holder. In such cases, this contract shall be deemed void and the provider of funds shall be entitled to a full refund of the paid contract fees less any service (and claims) costs incurred by AHS.

B. This contract shall be non-cancelable by AHS, except: (1) for nonpayment of contract fees; (2) for fraud or misrepresentation of facts material to the issuance of this contract; (3) when the contract is for listing coverage and close of sale (escrow) does not occur, if applicable; or (4) upon mutual agreement of AHS and the contract holder. If AHS cancels or agrees to allow the contract holder to cancel after the 30th day, then the provider of funds shall be entitled to a pro rata refund of the paid contract fees for the unexpired term, less: (a) an administrative fee of up to \$35; and (b) any service (and claims) costs incurred by AHS (collectively, the "Cancellation Fees"). A 10% monthly penalty shall be added to refunds not paid or credited within 45 days after the return of this contract to AHS. If AHS cancels this contract, AHS shall mail a written notice to the contract holder that states the effective date of cancellation at least 15 days prior to the cancellation and the reason for the cancellation.

C. If the contract fees are billed through a mortgage loan that is later sold or paid in full, then uninterrupted coverage can be arranged by immediately calling (800) 247-4749 to establish an alternate payment method. This contract will be deemed cancelled if the contract holder fails to initiate such payment arrangements within 30 days.

L. MISCELLANEOUS

SOUTH CAROLINA residents only:

Obligations of the provider under this service contract are backed by the full faith and credit of the provider. Questions or complaints may be registered with the South Carolina Department of Insurance, P.O. Box 100105, Columbia, South Carolina 29202, (800) 768-3467.